

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 16th day of
June, 2016.

In the Matter of the Application for an Order)	
Authorizing the Issue and Sale of Up to)	
\$150,000,000 Aggregate Principal Amount)	<u>File No. EF-2016-0300</u>
of Additional Long-Term Indebtedness)	

**ORDER REGARDING MOTION TO MODIFY ORDER AND
REQUEST FOR EXPEDITED TREATMENT**

Issue Date: June 16, 2016

Effective Date: June 16, 2016

On April 29, 2016, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri”) filed an application seeking authority from the Missouri Public Service Commission (“Commission”) to issue and sell up to \$150,000,000 aggregate principal amount of additional long-term indebtedness. Ameren Missouri stated that proceeds of the new indebtedness will be used to refinance outstanding short-term debt consisting of commercial paper borrowing and, potentially, money pool borrowings. On June 1, 2016, the Commission approved Ameren Missouri’s application, subject to certain conditions recommended by the Commission’s Staff.

On June 13, 2016, Ameren Missouri filed a *Motion to Modify Order Approving Application and Request for Expedited Treatment*. Ameren Missouri states that since the application was filed in April, market conditions have changed such that it may be able to issue the new indebtedness at a price to be paid to Ameren Missouri that would be greater than 100% of the aggregate principal amount. Currently, Ameren Missouri may not issue

the new indebtedness at a price paid to the company greater than 100%, as such a price exceeds the maximum price previously approved by the Commission. Ameren Missouri explains that a higher price to be paid to the company would yield a lower cost of debt, and any savings recognized will ultimately benefit Ameren Missouri customers, as it would lower the cost of debt reflected in future revenue requirements in rate cases when the company's rates are reset. In no event would this modification result in the issuance of the financing at a higher cost relative to the parameters of the application as previously approved by the Commission. Ameren Missouri asks for a modification to the Commission's *Order Approving Application*, issued on June 1, 2016, so that Ameren Missouri may issue the new indebtedness at a price paid to the company that will be not less than 92% of the aggregate principal amount thereof.

Ameren Missouri requests expedited treatment of this request pursuant to Commission Rule 4 CSR 240-2.080(14), and asks that an order approving this modification be issued by and made effective no later than June 16, 2016. Ameren Missouri states that the Commission has good cause to do so, as the modification may afford the company the opportunity to issue the new indebtedness at a lower cost. Delaying the approval and effectiveness of this request could inhibit Ameren Missouri's ability to fully capitalize on prevailing market conditions for the ultimate benefit of customers, as those market conditions may change at any time.

On June 14, 2015, the Commission's Staff filed a recommendation to approve the motion to modify the Commission's order and the request for expedited treatment. Staff states that permitting Ameren Missouri to issue the debt at more than 100% of par value would result in a lower cost of debt to Ameren Missouri and would benefit ratepayers. The

Office of the Public Counsel also filed a pleading stating that it does not object to Ameren Missouri's request.

The Commission has the legal authority to modify or vacate its orders.¹ Ameren Missouri's unopposed request to modify the Commission's previous *Order Approving Application* could result in a lower cost of debt, which could ultimately benefit ratepayers. The Commission concludes that the motion to modify the previous order should be granted.

In addition, Ameren Missouri has requested expedited treatment in order to make the modification effective on the same date the order is issued. However, the Missouri Western District Court of Appeals held that an effective date of a final order that is less than ten days from the date of issuance is "presumptively unreasonable and, if challenged, would require the PSC to demonstrate that the circumstances surrounding the case are so extraordinary as to clearly warrant further encroachment on the time provided to the parties in which to exercise their right to apply for rehearing and/or appeal and that the time allowed was reasonably sufficient".² In this case, Ameren Missouri has demonstrated good cause for expedited treatment in that immediate action is required to secure benefits to both the company and ratepayers. Moreover, since all the parties to this matter have stated that they do not object to the motion to modify or the request for expedited treatment, additional time to exercise the right of rehearing or appeal is not applicable. The Commission will grant the request for expedited treatment.

¹ Section 386.490.2, RSMo (Supp. 2013), "Every order or decision of the commission shall of its own force take effect and become operative thirty days after the service thereof, except as otherwise provided, and shall continue in force either for a period which may be designated therein or until changed or abrogated by the commission, unless such order be unauthorized by this law or any other law or be in violation of a provision of the constitution of the state or of the United States." (emphasis added)

² *State ex rel. Office of Public Counsel v. Public Service Commission*, 409 S.W.3d 522, 529 (Mo. App. 2013).

THE COMMISSION ORDERS THAT:

1. Union Electric Company d/b/a Ameren Missouri's *Motion to Modify Order Approving Application and Request for Expedited Treatment* filed on June 13, 2016, is granted. The Commission's *Order Approving Application*, issued on June 1, 2016, is modified as described in the body of this order and in Ameren Missouri's motion.
2. This order shall become effective on June 16, 2016.
3. This file may be closed on June 17, 2016.



BY THE COMMISSION

A handwritten signature in dark ink, reading "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney,
Rupp, and Coleman, CC., concur.

Bushmann, Senior Regulatory Law Judge